

LOSS ADJUSTMENT MANUAL FOR COTTON

SECTION I. ORGANIZATION

A. General

Each person connected with loss adjustment work shall refrain from making any statement to the insured or to any other person which would have the effect of either admitting or denying the liability of the Corporation for any claim made by the insured.

B. State Crop Insurance Director

The state crop insurance director (herein called the "director") is responsible for the adjustment of losses in the state, and he shall supervise and coordinate all work in connection with the adjustment of losses. He shall see that all persons performing loss adjustment work are thoroughly familiar with the provisions of the regulations, the instructions contained in this procedure, and the related forms. He shall also be certain that such personnel is adequately trained in loss adjustment work and arrange for the spot checking of this work in order that he may know that it is being done uniformly throughout the state. The director, through the state committee, shall furnish each county committee the name(s) and address(es) of other Corporation representative(s) to whom notices of damage or probable loss should be transmitted.

C. District Supervisors

In those areas where the volume of business warrants it, the director shall appoint and train district supervisors. The district supervisor, under the supervision of the director, shall be in charge of the adjustment work in the district assigned to him. He shall keep the director fully informed as to the progress of the loss adjustment work in his district. Any unusual situation or difficult problems encountered by the district supervisor in connection with the loss adjustment work shall be called to the attention of the director.

The district supervisor shall make inspections and adjust losses, where necessary, in the assigned district. However, in areas where there is a considerable volume of business, and also in areas where it becomes apparent that a considerable number of losses may be experienced, the district supervisor shall select, subject to the approval of the director, and train adjusters in order that the adjustment work may be handled promptly and efficiently. The adjusters so selected shall be thoroughly trained in the loss adjustment work.

D. Adjusters

The adjuster must meet the qualifications set forth in the procedure for hiring and paying adjusters. In addition, any person who procured



a 1945 cotton crop insurance application as an agent of the Corporation is not eligible to serve as an adjuster. An adjuster shall not use the loss adjustment work to promote any other line of endeavor. He must be honest, of good reputation, and must know farming and have the respect of farmers in his area. The adjuster shall not inspect a crop or adjust a claim for loss involving an insured crop in which he has either a financial or family relationship interest.

The adjusters shall be thoroughly familiar with the provisions of the Cotton Crop Insurance Regulations, instructions contained in this procedure, and forms relating thereto. The adjusters must be adequately trained in the measurement of acreage by the chain method. Particular attention shall be given to the measurement of irregularly shaped fields.

The adjusters selected shall be under the immediate supervision of and directly responsible to the district supervisor (or to the state director, if no district supervisor has been appointed) and should discuss with him any problem arising in the loss adjustment work.

The insured producer is to notify the county AAA committee of damage to or probable loss of the cotton crop. Upon receipt of such notice, the county committee shall execute Form FCI-8, "Notice to Corporation of Damage or Probable Loss," in triplicate, and forward the original to the director. One copy shall be transmitted to the Corporation representative designated by the director. The other copy shall be filed in a temporary file in the county office until the county office copy of Form FCI-63-C, "Inspection Report," is received from the adjuster, at which time both Forms FCI-8 and FCI-63-C shall be filed in the insured's folder.

If an inspection is to be made, the adjuster shall go to the county AAA office as soon as possible after receipt of Form FCI-8 and obtain crop insurance records and field measuring equipment or acreage data. He may inspect in the county office aerial photographs or other available data that may facilitate handling the case. When field measuring equipment or records are taken out of the county office, they shall be charged to the adjuster while in his possession. The adjuster shall make the necessary inspections, appraisals, and reports. When requested, he shall assist the insured in the preparation of Form FCI-67-C, "Statement in Proof of Loss for Cotton."

Form FCI-8

UNITED STATES DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation

NOTICE TO CORPORATION OF DAMAGE OR PROBABLE LOSS

(State and county code and  
identification number)

(Name and address of insured)

(Farm serial number)

The above-named producer has requested that an inspection be made of his insured crop on the farm indicated. The request was received

\_\_\_\_\_, 19\_\_\_\_  
(Date)

Reported cause(s) of damage: \_\_\_\_\_

REMARKS: \_\_\_\_\_

\_\_\_\_\_, 19\_\_\_\_  
(Address of county AAA office) (Date) (Signature: County committeeman or representative)



SECTION II. RELEASE OF ACREAGE.A. Inspections Prior to Release

No inspection shall be made with the view of releasing acreage until it is too late to replant to cotton. If a question arises as to when it is too late to replant, the adjuster shall determine whether producers generally in the area are replanting, or would replant, under the circumstances. If this is the case, and it is considered a good farming practice, the insured producer shall be advised that he is required under the terms of his contract to replant unless the cotton acreage is put to another use before it is too late to replant to cotton. No loss will be paid and no premium will be earned on any acreage put to another use before it is too late to replant to cotton.

Cotton acreage may be released for other use because of damage occurring after it is too late to replant if the crop thereon is totally or substantially destroyed. The crop is considered to be substantially destroyed when it is so badly damaged that farmers generally in the area where the farm is located and on whose farms similar damage occurred, would not further care for the crop or harvest any part thereof.

In all cases where an inspection is made, the applicable columns in Part I of Form FCI-63-C shall be filled out as provided in section III of this procedure.

B. Appraisal of Production Prior to Release

A release of acreage may be granted only after there has been an appraisal of production. Where the cotton crop is totally destroyed, such appraisal shall be "zero". Extreme care shall be exercised by the adjuster in making an appraisal of the yield on an insurance unit. In releasing acreage, the Corporation is relinquishing its opportunity to determine the actual yield. Therefore, the adjuster, in making an appraisal, must assume that favorable growing conditions will prevail until harvest time.

The appraised yield will be considered as the actual yield for determining the amount of loss, except that if the acreage is not put to another use and the crop is harvested, the actual harvested yield will be counted. The adjuster shall determine whether any of the damage is due to uninsured cause(s) and if so, the extent thereof.

All appraisals made in connection with the release of acreage shall be recorded in Part I of Form FCI-63-C, as provided in section III of this procedure.

C. Amount of Coverage on Released Acreage

The insured producer should be reminded that, under the terms of the insurance contract, the coverage on released acreage will not be as much as on harvested acreage. On any acreage released by the Corporation because of damage occurring after it is too late to replant but prior to the first cultivation, the coverage will be 40 percent of the maximum insured production. On any acreage released because of damage occurring after the first cultivation but prior to the beginning of harvest, the coverage will be 75 percent of the maximum insured production. The maximum insured production per acre is the number of pounds of lint cotton determined by multiplying the average yield, by the insured percentage (50 or 75 percent), and by the insured interest in the crop.



### SECTION III. INSPECTION REPORT AND ADJUSTER'S WORKSHEET

An inspection shall be made in all cases where a loss is claimed or the insured producer requests a release of all or a part of the insured acreage after it is too late to replant to cotton. An inspection shall also be made in any other case where the director so determines. Form FCI-63-C, "Inspection Report", herein called form 63, is provided for the adjuster's use in recording data in connection with these inspections.

#### A. Preparation of Form FCI-63-C

Item A. Enter the name of the insured.

Item B. Enter the address of the insured.

Item C. Enter the state and county code and contract identification number.

Item D. Enter the farm serial number.

Item E. Enter the identification numbers of all other insurance contracts on the farm.

#### Part I. Part I of form 63 shall be executed where an inspection is made before the cotton matures.

Column 1. Enter the description, location, or other identification of each field or tract inspected.

Column 2. Enter the acreage of cotton in each field or tract inspected. This acreage shall be estimated as accurately as possible, except where all the acreage on the insurance unit is released, in which event the acreage shall be accurately determined.

Column 3. For each field or tract inspected, enter the number of acres released. If no acreage is released, enter "zero". If all the acreage in the field or tract is released, the entry in this column shall be identical with that shown in column 2. If only a part of the acreage in a field or tract is released, also show in the narrative report the location of such acreage.

Column 4. This column is to be used only when the acreage inspected is released by the adjuster. Enter the appraised yield of lint cotton per acre for each field or tract released.

Column 5. Enter the appraised production for the acreage released, which shall be the product of column 3 times column 4.

Column 6. Enter an "x" in the applicable box to indicate whether the damage to the crop on the released acreage occurred before or after the first cultivation.

#### Part II. Part II shall be executed in connection with a claim for loss after the cotton crop has matured.

Item F. Enter the number of pounds of lint cotton ginned.

Item G. Enter (1) the number of pounds of seed cotton sold, (2) the name and address of the buyer, and (3) the estimated net weight of lint cotton



out-turn from such seed cotton.

Item H. Enter the number of pounds of seed cotton on hand and the estimated net weight of lint cotton out-turn from such seed cotton.

Where it is necessary to estimate the net weight of lint cotton, the adjuster shall utilize all available information in making the estimate, such as the average percent out-turn as shown by gin records in the community, the variety of seed planted, the condition of the seed cotton, and the records the insured has.

Item I. Enter the total of the entries in items F, G, and H.

Item J. Enter the appraised net pounds of lint cotton remaining in the field unharvested. In the spaces provided, enter the number of acres on which an appraisal was made, and the appraised yield of unharvested lint cotton per acre. The product of these two figures will be the estimated net pounds of lint cotton remaining in the field unharvested.

Adjuster's Narrative Report

Enter the cause of damage to the insured crop. The causes of damage insured against as well as those not insured against are set forth in section IV of this procedure. In the event of damage due to an uninsured cause, enter a full explanation and set forth the extent thereof. This statement shall also include any other information which may aid the Corporation in the final determination of the loss, if any.

Signature and Date

Form 63 shall be dated and signed by the adjuster in the spaces provided.

B. Distribution of Form FCI-63

Distribution of form 63 shall be made in accordance with section VIII of this procedure.



UNITED STATES DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation

Form FCI-63-C

INSPECTION REPORT

- A. \_\_\_\_\_  
(Name of insured)
- B. \_\_\_\_\_  
(Address of insured)
- C. \_\_\_\_\_  
(State and county code and identification number)
- D. \_\_\_\_\_  
(Farm serial number)
- E. Identification numbers of other insurance contracts on farm \_\_\_\_\_

PART I.

Field or tract identification	Acreage in field or tract	Acreage released	Appraised yield per acre	Appraised production (3) x (4)	Enter an "X" to indicate if damage occurred before or after first cultivation
(1)	(2)	(3)	(4)	(5)	(6)
					( ) Before
					( ) After
					( ) Before
					( ) After
					( ) Before
					( ) After
					( ) Before
					( ) After

PART II.

- F. Lint cotton ginned. . . . .
- G. Seed cotton sold: \_\_\_\_\_ to \_\_\_\_\_  
(pounds seed cotton) (Name(s) & address(es) of buyer)
- H. Seed cotton on hand \_\_\_\_\_  
(pounds seed cotton)
- I. Total: (Items F, G, and H). . . . .
- J. Appraised production of lint cotton unharvested(\_\_\_\_\_)  
(Acres)(Appraised yield per acre)

ADJUSTER'S NARRATIVE REPORT (THIS REPORT MUST BE IN HANDWRITING OF ADJUSTER)

Enter the cause of damage to the insured crop. In the event of damage due to an uninsured cause, also enter the extent thereof. In addition, enter any other information which may aid the Corporation in the final determination of the loss, if any. (If additional space is needed, use reverse side.)

, 194

(Signature of adjuster)



SECTION IV. ADJUSTING CLAIMS

A. General

Form FCI-67-C, "Statement in Proof of Loss for Cotton," herein referred to as "Form 67," is to be used by the insured in submitting his claim for loss. A separate form 67 shall be submitted by the insured for each insurance unit on which he claims a loss. The form 67 must be submitted to the Corporation not later than 60 days after the time of loss, (as defined in section 413.14 of the Regulations) unless the time is extended in writing by the Corporation.

Before a form 67 is submitted to the Corporation, the adjuster shall determine that a Form FCI-22, "Contract Summary," has been prepared for all the units in which the insured producer has an insurable interest in the crop, and has already been forwarded to the branch office or is forwarded with the form 67.

B. Determining Acreage Planted to Cotton

The acreage planted to cotton shall be accurately determined by the adjuster in all cases where a loss is claimed unless the 1945 acreage has already been accurately measured by the county committee and the records are available to the adjuster. If a surveyor's chain is used in measuring acreage, it should be checked for accurate length and corrected where necessary.

The accurately determined acreage will be called the "planted acreage," and shall be entered in Box D of form 67. If the planted acreage is less than the reported acreage as shown on Form FCI-22 for the insurance unit, the loss, if any, will be settled on the basis of the planted acreage and the premium will be adjusted accordingly. Upon receipt of the form 67 by the branch office, a revised Form FCI-22 will be prepared showing the corrected premium.

If it is found that the planted acreage is larger than the reported acreage shown on Form FCI-22 for the insurance unit, the insured acreage will not be increased. The indemnity, if any, will be determined by computing the loss for the planted acreage and apportioning such loss to the reported acreage.

C. Amount of Loss Where Transfer of Interest is Involved

The Regulations provide that in the event of a transfer of all or a part of the insured interest in a cotton crop, the Corporation shall not be liable for a greater amount of indemnity than would have been paid if the transfer had not taken place. If, when adjusting a claim for loss, it is found that there has been a transfer of either all or a part of the insured interest in part of the insured acreage, the adjuster shall draw a line vertically through the center of columns 1, 2, and 3 of form 67. To the left of the lines so drawn shall be entered the data for the entire original insurance unit, and to the right of such line shall be entered the data for the part of the cotton acreage involved in the transfer. All computations on form 67 shall be made in the regular manner, except those for item 16. In item 16, enter the smaller of the insured's interest in the loss computed (1) for the insurance unit as a whole, or (2) for the part of the cotton acreage involved in the transfer.

D. Preparation of Form FCI-67-C for Usual Cases

The following instructions are applicable when only one yield has been established for the insurance unit, and when the insured has the same share in all of the cotton crop (such as all or 50 percent). Where separate yields



have been established for parts of an insurance unit, or where the producer's share in parts of the cotton crop on an insurance unit varies, form 67 shall be prepared in accordance with subsection E of this section.

The required entries in the heading of form 67, except the entry in Box D, shall be made from the information obtained from the crop insurance files in the county office.

The form 67 will be a Rediform consisting of the original and three copies and shall be prepared as follows:

1. Enter the state and county code and contract identification number.
2. Enter the identification number of other contracts on farm.
3. Enter the farm serial number as shown on the cotton listing sheet.
4. Enter the name and address of the insured which shall agree with the name shown on form FCI-22, "Contract Summary for 1945," or the name on form FCI-21, "Record of Transfer," if form FCI-21 has been executed, or the name of the beneficiary, if any, shown on form FCI-12-C, "Application for American Upland Cotton Crop Insurance for 1945," where the original insured died, became incompetent or disappeared after the beginning of planting. When a form 67 is prepared in the name of a beneficiary, the adjuster shall attach a statement of facts to such form.

If no beneficiary has been designated by the insured, or if designated, is ineligible or unavailable, and the insured dies, is judicially declared incompetent or disappears, and his insured interest in a cotton crop is a part of his estate, the indemnity, if any, shall be paid to the legal representative of his estate if one is appointed or is duly qualified. If no such representative is or will be so qualified, the indemnity shall be paid to the persons beneficially entitled to share in the insured's interest in the crop or to any one or more of such persons on behalf of all such persons, provided, however, that if the indemnity represents a number of pounds of cotton, the cash equivalent of which exceeds \$500.00, the Corporation may withhold the payment of the indemnity until a legal representative of the insured's estate is duly qualified to receive such payment.

Box A: Enter the approved listing sheet average lint cotton yield per acre for the insurance unit.

Box B: Enter the insured percentage, either 50% or 75%.

Box C: Enter the insured's interest in the cotton crop as shown on the related form FCI-22, or form FCI-21, if a record of transfer has been prepared. The adjuster shall ascertain from the insured his interest in the crop as of the time of loss or beginning of harvest, whichever occurs first. If such interest is less than that determined, as outlined above, the reduced figure shall be entered. In case the insured claims a larger interest in the crop than that previously reported, the previously reported figure shall be entered in Box C and shall be used as the insured's interest in the crop.

Box D: Enter the total acreage of cotton planted on the insurance unit. The adjuster shall determine this figure in accordance with subsection B of this section.



Box E. Enter the reported acreage of cotton on the insurance unit as shown on form FCI-22.

Box F: Enter "Yes" or "No" to indicate whether cottonseed is insured.

PART I. DETERMINATION OF LOSS

Item 1. Column 1 - Enter the acreage of cotton released for other use, with the consent of the Corporation, because of damage occurring after it is too late to replant to cotton but before the first cultivation. Enter the date of damage in the heading of the column.

The "first cultivation" is considered for crop insurance purposes to be the first cultivation after the cotton is up. Any cultivation prior to this time, regardless of the purpose thereof, shall not be considered as a cultivation of the cotton crop.

Column 2 - Enter the acreage of cotton released for other use, with the consent of the Corporation, because of damage occurring after the first cultivation but prior to the beginning of harvest. Enter the date of damage in the heading of the column.

Column 3 - Enter the total acreage of cotton on the insurance unit from which any cotton was harvested. The sum of the entries in columns 1, 2, and 3 must equal the planted acreage shown in Box D.

Item 2. Column 1 - Enter 40% of the product of the entry in Box A times the entry in Box B.

Column 2 - Enter 75% of the product of the entry in Box A times the entry in Box B.

Column 3 - Enter the product of the entry in Box A times the entry in Box B.

In computing the above entries for columns 1, 2, and 3, do not round except following the last computation, in which event rounding shall be to the nearest whole pound in accordance with Section 413.44 of the 1945 Cotton Crop Insurance Regulations.

Item 3. Enter in each of the columns 1, 2, and 3, the product of the entries in items 1 and 2 of the column.

Item 4. Enter the sum of (1) the net pounds of lint cotton ginned, and (2) the estimated net pounds of lint cotton from the seed cotton sold and on hand. (Source: Item I, Part II, Form 63.)

Item 5. Enter in columns 1 and 2 the appraised production of lint cotton for the acreage released by the Corporation and put to another use. (Source: Column 5, Part I, Form 63.)

Enter in column 3 the appraised production of lint cotton remaining in the field unharvested. (Source: Item J, Part II, Form 63.)



Item 6. Enter the estimated net pounds of lint cotton for any acreage on which an adjustment to production is made for an uninsured cause of damage. Two lines - (a) and (b) - are provided for entering such adjustments where damage results from more than one uninsured cause. Each uninsured cause of damage shall be entered to the left of column 1.

Where a part or all of the loss is due to an uninsured cause(s), the adjuster shall make an adjustment to production for each uninsured cause of loss. This adjustment will be the net pounds of lint cotton which the adjuster determines resulted from such cause. However, any such adjustment to production shall not exceed the product of the average lint cotton yield per acre times the acreage affected by the uninsured cause of loss. These adjustments to production shall be made for any of the following uninsured causes of loss:

1. Failure to replant in areas and under circumstances where it is customary to replant to cotton. Any acreage of cotton put to another use before it is too late to replant is not covered by insurance and shall not be considered.
2. Where insurance is written on an irrigated basis, failure properly to apply irrigation water to cotton in proportion to the amount of water available for all irrigated crops; failure of irrigation equipment due to mechanical defects; and failure to provide adequate casing or properly to adjust pumping equipment in the event of lowering of the water level in pump wells.
3. Planting cotton on land of poorer average quality than the average quality of land used in establishing the average yield and premium rate.
4. Planting a variety of cotton different from the variety considered in establishing the average yield and premium rate if such variety is not adapted to the area.
5. Following a fertilizer or other practice different from that considered in establishing the average yield and premium rate.
6. Planting cotton/conditions of immediate hazards without adjustment of the average yield or premium rate.  
under
7. Planting cotton on a portion of the insurance unit where the average productivity or farming hazards differ materially from the average productivity of farming hazard for the acreage considered in establishing the average yield and premium rate for such unit.
8. Inability to obtain labor, fertilizer, machinery, repairs, or insect poisons as a result of war or other conditions.
9. Use of defective or unadapted seed.
10. Failure properly to prepare the land for planting, or properly to plant, care for, or harvest the cotton crop.



11. Breakdown of machinery or equipment.
12. Neglect or malfeasance of the insured or of any person in his household or employment connected with the farm as tenant, sharecropper, or wage hand.
13. Theft.
14. Domestic animals.
15. Acreage destroyed without consent of the Corporation after it is too late to replant to cotton. (In this case the minimum appraisal shall be not less than the product of the average lint cotton yield per acre times the percent insurance times the acreage destroyed.)
16. Any other damage not due entirely to unavoidable causes.

Item 7. Columns 1 and 2 - Enter the sum of the entries in items 5 and 6.

Column 3 - Enter the sum of the entries in items 4, 5, and 6.

Item 8. Enter in column 3 the amount by which the entry in item 3, column 3, exceeds the entry in item 7, column 3. If the entry in item 3 is less than the entry in item 7, enter a dash (--).

Item 9. Columns 1 and 2 - Enter the amount by which the entry in item 3 exceeds the entry in item 7.

Column 3 - Enter 75% of the entry in item 8. If a dash is entered in item 8, enter a dash (--).

Items 10 and 11. Items 10 and 11 shall be used only when a dash (--) appears in item 9, column 3.

When applicable: Enter in item 10 the sum of the entries in item 9, columns 1 and 2.

Enter in item 11 the amount by which the entry in item 7, column 3, exceeds the entry in item 3, column 3.

When inapplicable: Enter a dash in both items 10 and 11.

Item 12. Only one of the following applies:

a. Enter the sum of the entries in item 9, columns 1, 2, and 3, if there is no entry in item 11.

b. (1) If the entry in item 11 is less than the entry in item 10, enter the difference.

(2) If the entry in item 11 equals or exceeds the entry in item 10, enter a zero. In such cases, there is no loss on the insurance unit.



- Item 13. This item is used to apportion the amount of loss in cases where the acreage planted to cotton exceeds the reported acreage. Therefore, if the entry in Box D exceeds the entry in Box E, divide the entry in Box E by the entry in Box D and enter the result, carried to 3 decimal places, (e.g. .951) in the space provided for "adjustment factor." If the planted acreage does not exceed the reported acreage, no entry need be made in this space. Enter in column 3 the product of the entry in item 12 times the adjustment factor, if any. If there is no adjustment factor, enter the figure shown in item 12.
- Item 14. If cottonseed is insured, enter 20% of the entry in item 13, rounded to the nearest whole pound. If cottonseed is not insured, enter a dash (—).
- Item 15. Enter the sum of the entries in items 13 and 14.
- Item 16. Enter the product of the entry in Box C times the entry in item 15.

PART II. CAUSES OF DAMAGE TO CROP

Items 17, 18, and 19.

Enter the primary, secondary, and other contributing cause(s) of damage to the cotton crop on the insurance unit. Causes insured against as well as causes not insured against shall be entered. The estimated percent contribution of each cause of damage shall be entered. The approximate date of damage (not the date of loss) shall also be entered. In all cases, the entries in the column headed "Estimated Percent Contribution" must total 100 percent. If damage was caused by the act of a person or persons, the cause of damage and percent of contribution shall be entered and a memorandum shall be prepared, in triplicate, setting forth the facts in the case and the name of person(s), if known, contributing to the damage. The adjuster shall sign the memorandum and all three copies shall be attached to form 67 when it is forwarded to the director. The director shall attach a copy of the memorandum to the branch office copy of form 67 and a copy to the county office copy of such form.

The following are among the unavoidable causes insured against:

WEATHER

Drought	Hail
Excessive moisture	Frost
Drought followed by excessive moisture	Blown out
Excessive moisture followed by drought	Crusted soil
Flood	Rotting seed
Water erosion	Lightning
Heat	Hurricane
Hot winds	



INSECTS

Insects (not identified)	Aphid
Boll weevil	Pink boll worm
Cotton leaf worm	Red spider
Army worm	Cut worm
Cotton flea hopper	Grasshoppers

DISEASES

Diseases (not identified)	Root knot
Root rot	Damping off (sore shin)
Wilt	Anthraco
Blight	Acromenia (crazy top)
Rust	Leaf spot

MISCELLANEOUS

Fire  
Wildlife

Item 20. The adjuster shall indicate whether there is an outstanding collateral assignment by entering "Yes" or "No." This entry shall be made from the information shown on Form FCI-20, "Collateral Assignment," on file in the county office.

In the spaces provided, the insured shall sign and date the form 67.

Item 21. If, after the insured has affixed his signature in item 20, the adjuster can certify to the statements in item 21, he shall sign and date the form in the spaces provided.

E. Preparation of Form FCI-67-C for Other Cases

1. When Insured Has Different Shares in Parts of Cotton Crop

The following instructions concerning the preparation of form 67 shall apply when the insured producer has different shares in parts of the cotton crop, except in cases where separate yields have been established for parts of an insurance unit, in which case the instructions in paragraph 2 of this subsection shall apply.

A separate form 67 shall be prepared for each part of the insurance unit in which the insured producer has a different share in the cotton crop. For example, if the producer has 100 percent interest in 8 acres and a 50 percent interest in 12 acres, one form 67 shall be prepared for the 8 acre tract and another shall be prepared for the 12 acre tract. The word "Supplemental" shall be written immediately above the title on each of these forms. After the "supplemental" forms have been prepared, the entries thereon shall be summarized and entered on a form 67 which shall be identified by writing the word "Master" immediately above the title. Except as provided below, these forms shall be prepared in accordance with subsection D of this section.



a. "Supplemental" Forms 67

Entries on a "supplemental" form 67 shall apply to the specific acreage covered by such form.

If the harvested plus the appraised production for a part of the insurance unit exceeds the insured production for such part, as reflected by the entry in item 7, column 3, of the supplemental form 67 exceeding the entry in items 3, column 3, of such form, the loss claim shall be adjusted in accordance with paragraph 3 of this subsection.

The entry for item 13 shall be determined as follows: The total planted acreage and the total reported acreage for the insurance unit shall be entered in Box D and Box E, respectively, of the "master" form 67. If the entry in Box D or the "master" form 67 exceeds the entry in Box E of such form, divide the entry in Box E <sup>by the entry in Box D</sup> and enter the result, carried to 3 decimal places, (e.g., .951) on all the "supplemental" forms 67 in the space provided for "adjustment factor". If the planted acreage does not exceed the reported acreage for the insurance unit, no entry need be made in this space. On the "supplemental" forms 67, enter in item 13 column 3, the product of the entry in item 12 times the adjustment factor, if any. If there is no adjustment factor, enter the figure shown in item 12.

No entries shall be made in items 17 to 21, inclusive, of the "supplemental" forms 67.

b. "Master" Forms 67

Box C: Enter the word "varying".

Items 1 to 16, inclusive, except item 2: For each item, add the entries appearing on the respective "supplemental" forms 67, except in cases where paragraph 3 of this subsection is applicable. Enter these totals in the applicable items on the "master" form 67.

Item 2: Enter the coverage per acre.

Items 17 to 21, inclusive: Enter the data in accordance with subsection D of this section.

2. When Separate Fields Have Been Established for Parts of an Insurance Unit

The following instructions concerning the preparation of form 67 shall apply when separate fields have been established for parts of an insurance unit.

A separate form 67 shall be prepared for each part of the insurance



unit for which a separate yield has been established. For example, if a 100-pound yield has been established on a bottom land tract and a 200-pound yield on an upland tract, a form 67 shall be prepared for each such tract. In addition, if the insured has different shares in the cotton crop on parts of any such tract, a separate form 67 shall be prepared for the acreage applicable to each share. The word "supplemental" shall be written immediately above the title of all such forms.

After the "supplemental" forms have been prepared, the entries thereon shall be summarized and entered on a form 67 which shall be identified by writing the word "master" immediately above the title. Except as provided below, these forms shall be prepared in accordance with subsection D of this section.

a. Supplemental Forms 67

Entries on a "supplemental" form 67 shall apply to the specific acreage covered by such form.

If the harvested plus the appraised production for a part of the insurance unit exceeds the insured production for such part, as reflected by the entry in item 7, column 3, of the supplemental form 67 exceeding the entry in item 3, column 3, of such form, the loss claim shall be adjusted in accordance with paragraph 3 of this subsection.

The entry for item 13 shall be determined as follows: The total planted acreage and the total reported acreage for the insurance unit shall be entered in Box D and Box E, respectively, of the "master" form 67. If the entry in Box D of the "master" form 67 exceeds the entry in Box E of such form, divide the entry in Box E by the entry in Box D and enter the result, carried to 3 decimal places (e.g., .951) on all the "supplemental" forms 67 in the space provided for "adjustment factor." If the planted acreage does not exceed the reported acreage for the insurance unit, no entry need be made in this space. On the "supplemental" forms 67, enter in item 13, column 3, the product of the entry in item 12 times the adjustment factor, if any. If there is no adjustment factor, enter the figure shown in item 12.

No entries shall be made in items 17 to 21, inclusive, of the supplemental forms 67.

b. "Master" Forms 67

Box A: Enter the word "varying."

Items 1 to 16, inclusive, except item 2: For each item, add the entries appearing on the respective "supplemental" forms 67, except in cases where paragraph 3 of this subsection is applicable.



Enter these totals in the applicable items on the "master" form 67.

Item 2: Enter the word "varying."

Items 17 to 21, inclusive: Enter the data in accordance with subsection D of this section.

3. Where There is Excess Production on One or More Part of an Insurance Unit

Where the harvested plus the appraised production for a part of the insurance unit exceeds the insured production for such part, as reflected by the entry in item 7, column 3, of a "supplemental" form 67 exceeding the entry in item 3, column 3, of such form, all of the "supplemental" forms 67 and the "master" form 67 for the insurance unit shall be prepared as follows:

- a. Items 1 to 15 inclusive, of the "supplemental" forms 67 shall be executed in accordance with paragraph 1 or 2 above, whichever is applicable, except the form being prepared for that part of the insurance unit reflecting the excess production, which shall be executed only through item 7. The entries, if any, in item 15 shall be encircled.
- b. Items 1 to 7, except item 2, of the "master" form 67: For each item, add the entries appearing on the respective "supplemental" forms 67 and enter the sum thereof in the applicable items on the "master" form 67.
- c. Item 2 of the "master" form 67: When only one yield has been established for the insurance unit, enter the coverage per acre. When separate yields have been established for parts of the insurance unit, enter the word "varying".
- d. Items 8 to 15, inclusive, of the "master" form 67: The entries for these items shall be computed for the entire insurance unit in accordance with subsection D of this section.
- e. Divide the entry appearing in item 15 of the "master" form 67 by the total of the encircled entries appearing in item 15 of the "supplemental" forms 67. The resulting figure shall be carried to 3 decimal places (e.g., .889) and entered in item 15 of the supplemental forms 67 to the left of column 3.
- f. Multiply the encircled entries in item 15 of the "supplemental" forms 67 by the figure obtained in (e) above. The product thereof is an adjusted loss figure for the part of the insurance unit covered by each "supplemental" form 67; and shall be entered <sup>to the</sup> right of the encircled figure in item 15 of such forms.
- g. The entry for item 16 on the "supplemental" forms 67 shall be obtained by multiplying the unencircled figure in item 15, column 3, by the entry in Box C. Add these entries appearing in item 16 of the



"supplemental" forms 67 and enter the total in item 16 of the "master" form 67.

h. Items 17 to 21, inclusive, of the "master" form 67 shall be executed in accordance with subsection D of this section. These items need not be executed on the "supplemental" forms 67.

4. Where the Insured Fails to Establish and Maintain Separate Records of Acreage or Production

Where the insured fails to establish and maintain separate records of acreage or production for the component parts of a combination of two or more insurance units or portions thereof, the total of the insured production for the component parts may be considered as the insured production for the combination, provided the component parts of the combination are insured. If such case arises and difficulty is experienced in determining the amount of loss, it may be submitted in accordance with General Procedure 4.

5. Other Unusual Cases

If a case arises which is not specifically covered by this procedure, it should be submitted in accordance with General Procedure 4.

F. Cases Where Adjuster and Insured Producer Cannot Agree on Amount of Loss

If the insured producer and the adjuster cannot agree on the amount of loss claimed by the insured, two forms 67 shall be prepared -- one showing the amount of loss claimed by the insured and the other showing the amount determined by the adjuster. The insured producer shall sign the form 67 reflecting the amount of loss claimed by him, but neither form shall be signed by the adjuster at this time. The adjuster shall then suggest to the insured that three appraisers be selected with the view of reaching an agreement concerning the amount of loss. If this is agreeable to the insured, the three appraisers shall be selected and shall function in accordance with the procedure for handling such cases.

If the insured is not agreeable to the selection of the appraisers, the adjuster shall sign only the form 67 reflecting the amount of loss determined by him and shall submit the claim in accordance with General Procedure 4.

G. Transmitting Forms FCI-67-C to the Director

The adjuster shall forward daily all completed forms 67 to the director. The director will make distribution of these forms in accordance with section VII of this procedure.



UNITED STATES DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation

Form FCI-67-C

COTTON

STATEMENT IN PROOF OF LOSS FOR COTTON

Must be submitted to Corporation not later than 60 days after  
time of loss but in no event later than the final date  
specified in the applicable regulations.

(State and county code and identification number)

(Name and address of insured)

(Farm serial number)

Average lint cotton yield per acre	Insured percentage			Insured interest in crop			Planted Acreage	Reported acreage	Cottonseed insured (Yes or No)	Acreage Released			Data for Acreage Harvested
	A	B	C	D	E	F				Where damage occurs before first cultivation	Where damage occurs after first cultivation	tion but prior to harvest	
PART I. DETERMINATION OF LOSS													
(SEE REVERSE SIDE FOR ADDITIONAL INSTRUCTIONS)													
1. Planted acres (Columns 1 + 2 + 3 must equal Box D)											(1)	(2)	(3)
2. Coverage per acre at each stage of production													
3. Total coverage at each stage of production (Item 1 times Item 2)													
4. Production: Cotton ginned plus estimated lint weight of seed cotton sold and on hand											XXXX	XXXX	
5. Appraised production of lint cotton													
6. Adjustment to production for uninsured losses: (a)													
(b)													
7. Total production from all sources (Item 4 + Item 5 + Item 6)												XXXX	
8. Unadjusted loss on harvested acreage													
9. Loss adjusted for savings in cost													
10. Total loss of lint cotton on released acreage													
11. Quantity production exceeds coverage on harvested acreage													
12. Unadjusted loss of lint cotton on insurance unit													
13. Loss adjusted to insured acreage													
14. Increase for cottonseed, if insured													
15. Loss (lint and seed) on insurance unit (Item 13 + Item 14)													
16. Loss claimed by insured (Entry in Box C times Item 15)													



PART II. CAUSE OF DAMAGE TO CROP

	Cause of damage.	Estimated percent contribution	Approximate date of damage
17. Primary			
18. Secondary			
19. Other contributing			

20. The information and data set out in Part I hereof are true and correct and the insured interest in the cotton crop as shown represents such interest at the time of loss, but not in excess of the interest reported by the insured as his interest in the crop at the beginning of planting, and are the basis for the amount of loss claimed in Item 16. The furnishing or preparation of any forms, the inspection of the farm, or investigation of loss by an adjuster was done at the request of the insured and shall not constitute a waiver of any right of the Corporation. In consideration of the payment of this claim, I hereby release the Corporation from all claims for indemnity, damages, or causes of action which I may have arising under the contract under which indemnity is claimed.

In consideration of the settlement of the indemnity, I hereby sell, assign and transfer to the Federal Crop Insurance Corporation, to the extent of the value of the commodity represented by such settlement, all claims, demands, and causes of action which I may have against any and all persons as a result of the partial or total destruction of the insured crop. I hereby irrevocably constitute and appoint the Federal Crop Insurance Corporation my true and lawful attorney, with full power of substitution and revocation for me and in my name, or otherwise, but for its own sole use, to take all proceedings and execute any and all instruments fully to effectuate this assignment and give acquittance for all such claims, demands, and causes of action.

Is there an outstanding collateral assignment? (Yes or no)

(Date) 194 (Signature of insured)

Any misrepresentation of fact made in this instrument will subject the maker thereof to the provisions of the United States Criminal Code and the penal provisions of the Federal Crop Insurance Act, as amended.

21. In connection with this Statement in Proof of Loss I certify that:  
 (a) I have made a careful investigation of this claim and, to the best of my knowledge and belief, the facts stated herein are complete, true, and correct.  
 (b) The amount of loss claimed herein by the insured was determined in accordance with the applicable regulations and procedures of the Federal Crop Insurance Corporation.  
 (c) The signature appearing in Item 20, has been affixed by the insured who had the stated interest in the cotton crop at the time of loss and whose name appears above, or if the signature has been affixed by a person who signs as fiduciary or agent such person had authority to act in such capacity.

(Date) 194 (Signature of authorized Corporation representative)

(Date) 194 (State director)



SECTION V. SUSPENDED, CORRECTED AND DELAYED  
FORMS FCI-67-C, "STATEMENT IN PROOF OF  
LOSS FOR COTTON

A. Suspended Form FCI-67-C

Forms 67 suspended by either the director or the branch office will not be returned to the adjuster. A form FCI-2, "Agreement," or a memorandum shall be prepared and forwarded to him in order that the suspended case may be cleared as soon as possible. Forms FCI-2 and memoranda prepared by the branch office shall be routed through the director. After the adjuster has cleared the suspended case, the form FCI-2 or memorandum of explanation shall be returned to the director.

B. Corrected Statements in Proof of Loss

In cases where a form 67 has been transmitted to the state director, and the adjuster finds it necessary to make a material change in the data appearing on such form, a corrected form 67 shall be prepared and submitted to the director. The adjuster shall attach a memorandum in triplicate to the corrected form 67 fully explaining the reason(s) for such correction(s). The corrected form 67 shall be plainly marked "Corrected" in the heading.

Any corrected claim for less than 25 pounds additional loss shall not be submitted as such claim will not be approved.

C. Delayed Statements in Proof of Loss

In the event a statement in proof of loss is submitted later than 60 days after the time of loss, a statement of facts setting forth the reason(s) for delay in submitting such form and the method used for determining the actual and appraised production as shown on the form 67, shall be prepared in triplicate, signed by the adjuster and attached to form 67.



SECTION VI.. SETTLEMENT OF LOSS CLAIMS

A. Certificate of Indemnity

All loss claims submitted in accordance with the regulations and applicable procedures will be paid by the issuance of a certificate of indemnity which will be prepared in the branch office of the Corporation. The expiration date of the certificate of indemnity on the 1945 crop shall be 30 days after the date of the issuance of the certificate or August 15, 1946, whichever is later. If the insured has not returned the certificate for cash settlement, the cash equivalent will be established on the price in effect on the expiration date of the certificate and a check will be issued by the branch office to the insured in settlement of his indemnity claim.

1. Method of Settlement

a. To Obtain Cash

If the insured wishes to obtain cash in settlement of the certificate of indemnity, he shall sign the original and return it to the branch office of the Corporation.

The cash equivalent of the indemnity shall be the number of pounds of lint cotton specified on the certificate of indemnity multiplied by the cash equivalent price per pound applicable for the day the insured's request is received or the expiration date of the certificate, whichever occurs first.

b. To Secure a Loan from the Commodity Credit Corporation

If the insured wishes to obtain a loan, he shall arrange with the county committee for the loan. The county committee shall prepare the loan documents in accordance with instructions issued by the Commodity Credit Corporation, and transmit the certificate of indemnity and loan papers to the Commodity Credit Corporation.

If a lien exists by reason of an unliquidated collateral assignment, a loan cannot be made until a release of such collateral assignment is secured.

Where a collateral assignment has not been executed, or if executed, has been released, the county committee shall so certify in the box provided therefor.

c. To Obtain the Commodity

If the county committee has been advised that cotton is available, the insured may obtain a warehouse receipt for all or a portion of the number of pounds shown on the certificate of indemnity by indicating the quantity desired and returning the certificate of indemnity to the branch office of the Corporation through the county committee.



Where the quantity of cotton desired by the insured is less than the total amount shown on the certificate of indemnity, the branch office will issue a new certificate of indemnity for the remaining portion of the indemnity due the insured. Since all warehouse receipts covering cotton are issued in bales, no indemnities in cotton shall be paid except in whole bales.

2. Liquidation of Commodity Credit Corporation Loan

If a loan has been obtained on the security of the original certificate of indemnity, and the insured wishes at any time during the period of the loan to establish the cash equivalent in order to liquidate the loan, the insured shall transmit to the appropriate branch office of the Federal Crop Insurance Corporation on Form FCI-574-A (or on a substantially similar form) a written request to establish the cash equivalent for the purpose of liquidating the loan.

The cash equivalent of the indemnity will be established on the basis of the price in effect on the date the request to liquidate the loan is received in the branch office. Such cash equivalent will be established and paid only if the amount thereof is sufficient to liquidate the indebtedness existing because of the loan. If the amount of the cash equivalent is not sufficient to liquidate the indebtedness, the insured will be notified by the Corporation.

Where the cash equivalent is established for the purpose of liquidating the loan, the amount necessary to liquidate the loan and accrued charges will be forwarded direct to the Commodity Credit Corporation by the Federal Crop Insurance Corporation. Any balance will be forwarded to the insured. The county committee shall be guided by the current price card and the loan plus accrued interest thereon in determining whether the cash equivalent of the certificate of indemnity will be sufficient to liquidate the loan.

3. Storage and Handling Charges

A storage and handling charge will be deducted by the branch office from the cash equivalent of any certificate of indemnity which is not received by the branch office for cash settlement within 15 days from the issuance thereof. After allowing the free storage time, a charge of four ten-thousandths of a cent (.0004) per pound per month or fraction thereof will be deducted.

4. Lost or Destroyed Certificates of Indemnity

If a certificate of indemnity is lost, or destroyed, and the insured desires a cash settlement, a cash settlement will be made by the branch office upon receipt of a written request from the insured stating that it has been lost or destroyed and that he



desires a cash settlement, together with a certification by the county committee that the certificate of indemnity originally issued has not and will not be approved by it as collateral for a loan.

If a certificate of indemnity is lost, or destroyed, and the insured desires to obtain a loan, a duplicate original certificate of indemnity will be issued by the branch office upon receipt of a request from the insured stating that it has been lost or destroyed and that a duplicate original be issued in order to obtain a loan. A certification that the certificate of indemnity originally issued has not and will not be approved as collateral for a loan shall be submitted by the county committee.



SECTION VII. DISTRIBUTION OF FORMS USED IN THE PROCEDURE

The following distribution shall be made of the forms used in this procedure:

A. Form FCI-8 - "Notice to Corporation of Damage or Probable Loss".

The original shall be forwarded to the director.

The first copy shall be forwarded to the other Corporation representative designated by the director.

The second copy shall be retained in the county office and filed in a temporary file until the county office copy of Form FCI-63-C is received from the adjuster, after which it shall be filed in the producer's folder.

B. Form FCI-63-C - "Inspection Report".

1. Original - Forwarded to the director.

2. First copy - Filed in the county AAA office in the producer's crop insurance folder.

3. Second copy - Given to the insured at the completion of the inspection.

C. Form FCI-67-C - "Statement in Proof of Loss for Cotton".

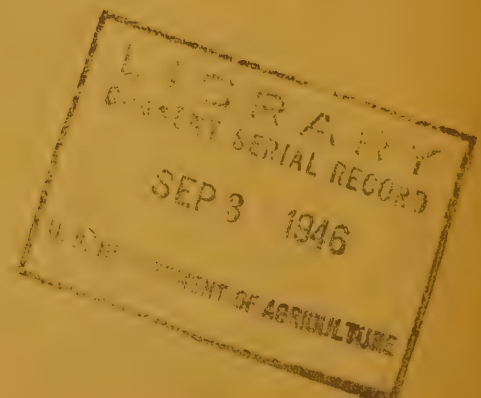
The original, the state office copy, and the county office copy shall be forwarded to the director with carbons in place, except the carbon between the county office copy and the insured's copy which shall be detached.

The insured's copy shall be given to him by the adjuster when prepared.

The county office copy shall be returned to the county office by the director after a preliminary review thereof. This copy shall then be filed in the producer's crop insurance folder.

D. Form FCI-15, "Transmittal Sheet".

Form FCI-15 will be prepared by the director. The county office copy will be forwarded to the county office together with the related county office copy of forms 67.





LOSS ADJUSTMENT MANUAL FOR COTTON

SECTION I. ORGANIZATION

2432 A. General

Each person connected with loss adjustment work shall refrain from making any statement to the insured or to any other person which would have the effect of either admitting or denying the liability of the Corporation for any claim made by the insured.

B. State Crop Insurance Director

The state crop insurance director (herein called the "director") is responsible for the adjustment of losses in the state, and he shall supervise and coordinate all work in connection with the adjustment of losses. He shall see that all persons performing loss adjustment work are thoroughly familiar with the provisions of the regulations, the instructions contained in this procedure, and the related forms. He shall also be certain that such personnel is adequately trained in loss adjustment work and arrange for the spot checking of this work in order that he may know that it is being done uniformly throughout the state. The director, through the State Agricultural Conservation Committee, shall furnish each County Agricultural Conservation Committee, (herein called "county committee") the name(s) and address(es) of other Corporation representative(s) to whom notices of damage or probably loss should be transmitted.

C. District Supervisors

In those areas where the volume of business warrants it, the director shall appoint and train district supervisors. The district supervisor, under the supervision of the director, shall be in charge of the loss adjustment work in the district assigned to him. He shall keep the director fully informed as to the progress of the loss adjustment work in his district. Any unusual situation or difficult problems encountered by the district supervisor in connection with the loss adjustment work shall be called to the attention of the director.

The district supervisor shall make inspections and adjust losses, where necessary, in the assigned district. However, in areas where there is a considerable volume of business, and also in areas where it becomes apparent that a considerable number of losses may be experienced, the district supervisor shall select, subject to the approval of the director, and train adjusters in order that the adjustment work may be handled promptly and efficiently. The adjusters so selected shall be thoroughly trained in the loss adjustment work.

D. Adjusters

The adjuster must meet the qualifications set forth in the "Employment Instructions and Travel Regulations for Loss Adjusters". In addition, any person who procured a 1945 crop insurance application as an agent of the Corporation is not eligible to serve as an adjuster. An adjuster shall not use the loss adjustment work to promote any other line of endeavor. He must be honest, of good reputation, and must know farming



and have the respect of farmers in his area. The adjuster shall not inspect a crop or adjust a claim for loss involving an insured crop in which he has either a financial or family relationship interest.

The adjusters shall be thoroughly familiar with the provisions of the Cotton Crop Insurance Regulations, instructions contained in this procedure, and forms relating thereto. The adjusters must be adequately trained in the measurement of acreage. Particular attention shall be given to the measurement of irregularly shaped fields.

The adjusters selected shall be under the immediate supervisions of, and directly responsible to, the district supervisor (or to the state director, if no district supervisor has been appointed) and should discuss with him any problem arising in the loss adjustment work.

The insured producer is to notify the county committee of damage to or probable loss of the cotton crop. Upon receipt of such notice, the county committee shall execute Form FCI-8, "Notice to Corporation of Damage or Probable Loss," in triplicate, and forward the original to the director. One copy shall be transmitted to the other Corporation representative designated by the director. The second copy shall be filed in a temporary file in the county office until the county office copy of Form FCI-63-C, "Inspection Report", is received from the adjuster, at which time both Forms FCI-8 and FCI-63-C shall be filed in the insured's folder.

If an inspection is to be made, the adjuster shall contact the county AAA office as soon as possible after receipt of Form FCI-8 and obtain crop insurance records and the necessary field measuring equipment or acreage data. He may inspect in the county AAA office aerial photographs or other available data that may facilitate handling the case. When field measuring equipment or records are taken out of the county office, they shall be charged to the adjuster while in his possession. The adjuster shall make the necessary inspections, appraisals, and reports. When requested, he shall assist the insured in the preparation of Form FCI-567-C, "Statement in Proof of Loss for Cotton."

Form FCI-8

UNITED STATES DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation

(Name of crop)

(State and county code and  
identification number)

(Location of farm)

(Name and address of insured)

(Farm serial number)

The above-named producer has requested that an inspection be made of his insured crop on the farm indicated. The request was received

194  
(Date)

Reported cause(s) of damage:

REMARKS:

(Address of county AAA office)

(Date)

194

(Signature: County committeeman or representative)



## SECTION II. RELEASE OF ACREAGE

### A. Inspections Prior to Release

No inspection shall be made with the view of releasing acreage until it is too late to replant to cotton. If a question arises as to when it is too late to replant, the adjuster shall determine whether producers generally in the area are replanting, or would replant, under the circumstances. If this is the case, and it is considered a good farming practice, the insured producer shall be advised that he is required under the terms of his contract to replant unless the cotton acreage is put to another use before it is too late to replant to cotton. No loss will be paid and no premium will be earned on any acreage put to another use before it is too late to replant to cotton. Merely abandoning an acreage of cotton will not be considered as putting such acreage to another use.

Cotton acreage may be released for other use where the crop is totally or substantially destroyed after it is too late to replant. The crop is considered to be substantially destroyed when it is so badly damaged that farmers generally in the area where the farm is located and on whose farms similar damage occurred would not further care for the crop or harvest any portion thereof.

In all cases where an inspection is made with the view of releasing acreage the applicable columns in Part I of Form FCI-63-C shall be filled out as provided in section III of this procedure.

### B. Appraisal of Production Prior to Release

A release of acreage may be granted only after there has been an appraisal of production. Where the cotton crop is totally destroyed, such appraisal shall be "zero". Extreme care shall be exercised by the adjuster in making an appraisal of the yield on an insurance unit. In releasing acreage, the Corporation is relinquishing its opportunity to determine the actual yield. Therefore, the adjuster, in making an appraisal, must assume that favorable growing conditions will prevail until harvest time.

The appraised yield will be considered as the actual yield for determining the amount of loss, except that if the acreage is not put to another use and the crop is harvested, the actual <sup>harvested</sup> yield will be counted. The adjuster shall determine whether any of the damage is due to uninsured cause(s) and if so, the extent thereof.

All appraisals made in connection with the release of acreage shall be recorded in Part I of Form FCI-63-C, as provided in section III of this procedure.

### C. Amount of Coverage on Acreage Releases

The insured producer should be reminded that, under the terms of the insurance contract, the coverage on acreage released (and put to another use) will not be as much as on harvested acreage. On any acreage released by the Corporation because of damage occurring after it is too late to replant but prior to the first cultivation, the coverage will be 40 percent of the maximum insured production. On any acreage released because of damage occurring after the first cultivation but prior to the beginning of harvest, the coverage will be 75 percent of the maximum insured production. The maximum insured production per acre is the number of pounds of lint cotton determined by multiplying the average yield, by the insured percentage (50 or 75 percent), and by the insured interest in the



SECTION III. INSPECTION REPORT

An inspection shall be made in all cases where a loss is claimed, or where the insured producer requests a release of all or a part of the insured acreage after it is too late to replant to cotton. An inspection shall also be made in any other case where the director so determines. Form FCI-63-C, "Inspection Report", herein called form 63, is provided for the adjuster's use in recording data in connection with these inspections.

A. Preparation of Form FCI-63-C

Item A. Enter the name of the insured.

Item B. Enter the address of the insured.

Item C. Enter the state and county code and contract identification number.

Item D. Enter the farm serial number.

Item E. Enter the identification numbers of all other insurance contracts on the farm.

Part I. Part I of form 63 shall be executed where an inspection is made before the cotton matures.

Column 1. Enter the description, location, or other identification of each field or tract inspected.

Column 2. Enter the acreage of cotton in each field or tract inspected. This acreage shall be estimated as accurately as possible, except where all the acreage on the insurance unit is released, in which event the acreage shall be accurately determined.

Column 3. For each field or tract inspected, enter the number of acres released. If no acreage is released, enter "zero". If all the acreage in the field or tract is released, the entry in this column shall be identical with that shown in column 2. If only a part of the acreage in a field or tract is released, also show in the narrative report the location of such acreage.

Column 4. This column is to be used only when the acreage inspected is released by the adjuster. Enter the appraised yield of lint cotton per acre for each field or tract released.

Column 5. Enter the appraised production for the acreage released, which shall be the product of column 3 times column 4.

Column 6. Enter an "x" in the applicable box to indicate whether the damage to the crop on the released acreage occurred before or after the first cultivation.

Part II. Part II shall be executed in connection with a claim for loss after the cotton crop has matured.

Item F. Enter the number of pounds of lint cotton ginned.

Item G. Enter (1) the number of pounds of seed cotton sold, (2) the name and address of the buyer, and (3) the estimated net weight of lint cotton out-turn from such seed cotton.



Item H. Enter the number of pounds of seed cotton on hand and the estimated net weight of lint cotton out-turn from such seed cotton.

Where it is necessary to estimate the net weight of lint cotton, the adjuster shall utilize all available information making the estimate, such as (1) the average percent out-turn from the variety of seed planted as shown by gin records in the community, (2) the condition of the seed cotton, and (3) the records the insured has.

Item I. Enter the total of the entries in items F, G, and H.

Item J. Enter the number of acres on which cotton remains in the field unharvested and the appraised yield per acre of unharvested lint cotton. The product of these two figures will be the estimated net pounds of lint cotton remaining in the field unharvested and shall be entered in the space provided.

Adjuster's Narrative Report

Enter the cause of damage to the insured crop. The causes of damage insured against as well as those not insured against are set forth in section IV of this procedure. In the event of damage due to an uninsured cause, enter a full explanation and set forth the extent thereof. This statement shall also include any other information which may aid the Corporation in the final determination of the loss, if any.

Signature and Date

Form 63 shall be dated and signed by the adjuster in the spaces provided.

B. Distribution of Form FCI-63

Distribution of form 63 shall be made in accordance with section VII of this procedure.



UNITED STATES DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation

Form FCI-63-C

C. \_\_\_\_\_  
(State and county code and  
identification number)

INSPECTION REPORT FOR COTTON

D. \_\_\_\_\_  
(Farm serial number)

E. Identification numbers of  
other insurance contracts  
on farm \_\_\_\_\_

A. \_\_\_\_\_  
(Name of insured)

B. \_\_\_\_\_  
(Address of insured)

PART I.

Field or tract identifica- tion	Acreage in field or tract	Acreage released	Appraised yield per acre	Appraised production (3) x (4)	Enter an "X" to indicate if damage occurred before or after first cultivation
(1)	(2)	(3)	(4)	(5)	(6)
					( ) Before
					( ) After
					( ) Before
					( ) After
					( ) Before
					( ) After
					( ) Before
					( ) After

PART II.

Net pounds  
lint cotton

F. Lint cotton ginned . . . . .  
G. Seed cotton sold: \_\_\_\_\_ to \_\_\_\_\_

(pounds seed cotton)(Name(s) & address(es) of buyer)

H. Seed cotton on hand \_\_\_\_\_  
(pounds seed cotton)

I. Total: (Items F, G, and H) . . . . .

J. Appraised production of lint cotton unharvested(\_\_\_\_\_)  
(Acres) (Appraised  
yield per acre)

ADJUSTER'S NARRATIVE REPORT (THIS REPORT MUST BE IN HANDWRITING OF ADJUSTER)

Enter the cause of damage to the insured crop. In the event of damage due to an  
uninsured cause, also enter the extent thereof. In addition, enter any other  
information which may aid the Corporation in the final determination of the loss,  
if any; (If additional space is needed, use reverse side.)

(Date) \_\_\_\_\_, 194\_\_\_\_\_

(Signature of adjuster) \_\_\_\_\_



SECTION IV. ADJUSTING CLAIMS

A. General

Form FCI-567-C, "Statement in Proof of Loss for Cotton," herein referred to as "Form 567," is to be used by the insured in submitting his claim for indemnity. A separate form 567 shall be submitted by the insured for each insurance unit on which he claims a loss. The form 567 must be submitted to the Corporation not later than 60 days after the time of loss, (as defined in section 413.14 of the Regulations) unless the time is extended in writing by the Corporation.

Before a form 567 is submitted to the Corporation, the adjuster shall determine that a Form FCI-22, "Contract Summary for 1945," has been prepared for all the units in which the insured producer has an insurable interest in the crop, and has already been forwarded to the branch office.

B. Determining Acreage Planted to Cotton

The acreage planted to cotton shall be accurately determined by the adjuster in all cases where a loss is claimed unless the 1945 acreage has already been accurately measured by the county committee and the records are available to the adjuster. In determining acreage, as much use as possible shall be made of permanent field acreages established by the Agricultural Adjustment Agency. Any cotton acreage put to another use before it is too late to replant to cotton shall not be considered as acreage planted to cotton. Acreage released as well as acreage not released shall be measured. All measuring equipment used should be checked for accuracy and corrected where necessary.

The accurately determined acreage will be called the "planted acreage," and shall be entered in Box D of form 567. If the planted acreage is less than the reported acreage as shown on Form FCI-22 for the insurance unit, the loss, if any, will be settled on the basis of the planted acreage and the premium will be adjusted accordingly. Upon receipt of the form 567 by the branch office, a revised Form FCI-22 will be prepared showing the corrected premium. If it is found that the planted acreage is larger than the reported acreage shown on Form FCI-22 for the insurance unit, the insured acreage will not be increased. The indemnity, if any, will be determined by computing the loss for the planted acreage and apportioning such loss to the reported acreage.

C. Preparation of Form FCI-567-C for Usual Cases

The following instructions are applicable when only one yield has been established for the insurance unit, when the insured has the same share in all of the cotton crop (such as all or 50 percent), and when there has been no transfer of interest in the insured crop. Where separate yields have been established for parts of an insurance unit, where the producer has different shares in parts of the cotton crop on an insurance unit, and where there has been a transfer of interest in the insured crop, form 567 shall be prepared in accordance with subsection D of this section.

The required entries in the heading of form 567, except the entries in Boxes C and D, shall be made from the information obtained from the crop insurance files in the county office.



The form 567 will be a Rediform consisting of the original and three copies and shall be prepared as follows:

1. Enter the state and county code and contract identification number.
2. Enter the identification number of all other contracts on farm.
3. Enter the farm serial number as shown on the cotton listing sheet.
4. Enter the name and address of the insured which shall agree with the name shown on form FCI-22, "Contract Summary for 1945," or the name on form FCI-21, "Record of Transfer," if form FCI-21 has been executed, or the name of the beneficiary, if any, shown on form FCI-12-C, "Application for American Upland Cotton Crop Insurance for 1945," where the original insured died, became incompetent or disappeared after the beginning of planting. When a form 567 is prepared in the name of a beneficiary, the adjuster shall attach a statement of facts to such form.

If no beneficiary has been designated by the insured, or if designated, is ineligible or unavailable, and the insured dies, is judicially declared incompetent or disappears, and his insured interest in a cotton crop is a part of his estate, enter the name of the legal representative of his estate if one is appointed or is duly qualified. If no such representative is or will be so qualified, enter the name of the persons beneficially entitled to share in the insured's interest in the crop, in which case the indemnity, if any, will be paid to any one or more of such persons on behalf of all such persons, provided, however, that if the indemnity represents a number of pounds of cotton, the cash equivalent of which exceeds \$500.00, the Corporation may withhold the payment of the indemnity until a legal representative of the insured's estate is duly qualified to receive such payment.

Box A: Enter the approved listing sheet average lint cotton yield per acre for the insurance unit.

Box B: Enter the insured percentage, either 50% or 75%.

Box C: Enter the insured's interest in the cotton crop as shown on the related form FCI-22, or form FCI-21, if a record of transfer has been prepared, except that if the adjuster ascertains that the insured's interest in the crop at the time of loss or beginning of harvest, whichever occurs first, was less than that shown on form FCI-22 or FCI-21, the smaller interest shall be entered. In case the insured claims a larger interest in the crop than that previously reported, the previously reported figure cannot be increased.

Box D: Enter the total acreage of cotton planted on the insurance unit. The adjuster shall determine this figure in accordance with subsection B of this section.

Box E: Enter the reported acreage of cotton on the insurance unit as shown on form FCI-22.

Box F: Enter "Yes" or "No" to indicate whether cottonseed is insured.



PART I. DETERMINATION OF LOSS

Item 1. Column 1 - Enter the acreage of cotton released for other use, with the consent of the Corporation, because of damage occurring after it is too late to replant to cotton but before the first cultivation. Enter the approximate date of damage in the heading of the column.

The "first cultivation" is considered for crop insurance purposes to be the first cultivation after the cotton is up. Any cultivation prior to this time, regardless of the purpose thereof, shall not be considered as a cultivation of the cotton crop.

Column 2 - Enter the acreage of cotton released for other use, with the consent of the Corporation, because of damage occurring after the first cultivation but prior to the beginning of harvest. Enter the approximate date of damage in the heading of the column.

Column 3 - Enter the total acreage of cotton on the insurance unit from which any cotton was harvested, plus any acreage put to another use without the consent of the Corporation after it was too late to replant to cotton. The sum of the entries in columns 1, 2, and 3 must equal the planted acreage shown in Box D.

Item 2. Column 1 - Enter 40% of the product of the entry in Box A times the entry in Box B.

Column 2 - Enter 75% of the product of the entry in Box A times the entry in Box B.

Column 3 - Enter the product of the entry in Box A times the entry in Box B.

In computing the above entries for columns 1, 2, and 3, do not round except following the last computation, in which event rounding shall be to the nearest whole pound in accordance with Section 413.44 of the 1945 Cotton Crop Insurance Regulations.

Item 3. Enter in each of the columns 1, 2, and 3, the product of the entries in items 1 and 2 of the column.

Item 4. Enter the sum of (1) the net pounds of lint cotton ginned, and (2) the estimated net pounds of lint cotton from the seed cotton sold and on hand. (Source: Item I, Part II, Form 63.)

Item 5. Enter in columns 1 and 2 the appraised production of lint cotton for the acreage released by the Corporation and put to another use. (Source: Column 5, Part I, Form 63.)

Enter in column 3 the appraised production of lint cotton remaining in the field unharvested. (Source: Item J, Part II, Form 63.)



Item 6. Enter the estimated net pounds of lint cotton for any acreage on which an adjustment to production is made for an uninsured cause of loss. Two lines - (a) and (b) - are provided for entering such adjustments where loss results from more than one uninsured cause. Each uninsured cause of loss shall be entered to the left of column 1.

Where a part or all of the loss is due to an uninsured cause(s), the adjuster shall make an adjustment to production for each uninsured cause of loss. This adjustment will be the net pounds of lint cotton which the adjuster determines resulted from such cause. However, any such adjustment to production shall not exceed the product of the average lint cotton yield per acre times the acreage affected by the uninsured cause of loss. These adjustments to production shall be made for any of the following uninsured causes of loss:

1. Failure to replant in areas and under circumstances where it is customary to replant to cotton. Any acreage of cotton put to another use before it is too late to replant is not covered by insurance and shall not be considered.
2. Where insurance is written on an irrigated basis, failure properly to apply irrigation water to cotton in proportion to the amount of water available for all irrigated crops; failure of irrigation equipment due to mechanical defects; and failure to provide adequate casing or properly to adjust pumping equipment in the event of lowering of the water level in pump wells. (This paragraph shall not be interpreted to include failure of the water supply in wells due to natural causes or lowering of the water table to the extent that deepening the well or drilling a new well would be necessary in order to obtain an adequate supply of water.)
3. Planting cotton on land of poorer average quality than the average quality of land used in establishing the average yield and premium rate.
4. Planting a variety of cotton different from the variety considered in establishing the average yield and premium rate if the variety planted is not adapted to the area.
5. Following a fertilizer or other practice different from that considered in establishing the average yield and premium rate.
6. Planting cotton under conditions of immediate hazards without adjustment of the average yield or premium rate.
7. Planting cotton on a portion of the insurance unit where the average productivity or farming hazards differ materially from the average productivity or farming hazard for the acreage considered in establishing the average yield and premium rate for such unit.



8. Inability to obtain labor, fertilizer, machinery, repairs, or insect poisons as a result of war or other conditions.
9. Use of defective or unadapted seed.
10. Failure properly to prepare the land for planting, or properly to plant, care for, or harvest the cotton crop.
11. Breakdown of machinery or equipment.
12. Neglect or malfeasance of the insured or of any person in his household or employment connected with the farm as tenant, sharecropper, or wage hand.
13. Theft.
14. Domestic animals.
15. Acreage put to another use without the consent of the Corporation after it is too late to replant to cotton. (In this case the minimum appraisal shall be not less than the product of the average lint cotton yield per acre times the percent insurance times the acreage put to another use. Such appraisal shall be entered in Column 3.)
16. Any other damage not due to causes insured against.

Item 7. Columns 1 and 2 - Enter the sum of the entries in items 5 and 6.

Column 3 - Enter the sum of the entries in items 4, 5, and 6.

Item 8. Enter in column 3 the amount by which the entry in item 3, column 3, exceeds the entry in item 7, column 3. If the entry in item 3 is less than the entry in item 7, enter a dash (---).

Item 9. Columns 1 and 2 - Enter the amount by which the entry in item 3 exceeds the entry in item 7.

Column 3 - Enter 75% of the entry in item 8. If a dash is entered in item 8, enter a dash (---) in item 9.

Items 10 and 11. Items 10 and 11 shall be used only when a dash (---) appears in item 9, column 3.

When applicable: Enter in item 10 the sum of the entries in item 9, columns 1 and 2.

Enter in item 11 the amount by which the entry in item 7, column 3, exceeds the entry in item 3, column 3.

When inapplicable: Enter a dash in both items 10 and 11.

Item 12. Only one of the following applies:



- a. Enter the sum of the entries in item 9, columns 1, 2, and 3, if there is no entry in item 11.
- b. (1) If the entry in item 11 is less than the entry in item 10, enter the difference.
- (2) If the entry in item 11 equals or exceeds the entry in item 10, enter a zero. In such cases, there is no loss on the insurance unit.

Item 13. This item is used to apportion the amount of loss applicable to the insured acreage in cases where the acreage planted to cotton exceeds the reported acreage. Therefore, if the entry in Box D exceeds the entry in Box E, divide the entry in Box E by the entry in Box D and enter the result, carried to 3 decimal places, (e.g., .951) in the space provided for "adjustment factor." If the planted acreage does not exceed the reported acreage, no entry need be made in this space. Enter in column 3 the product of the entry in item 12 times the adjustment factor, if any. If there is no adjustment factor, enter the figure shown in item 12.

Item 14. If cottonseed is insured, enter 20% of the entry in item 13, rounded to the nearest whole pound. If cottonseed is not insured, enter a dash (--).

Item 15. Enter the sum of the entries in items 13 and 14.

Item 16. Enter the product of the entry in Box C times the entry in item 15.

## PART II. CAUSES OF DAMAGE TO CROP

Items 17, 18, and 19.

Enter the primary, secondary, and other contributing cause(s) of damage to the cotton crop on the insurance unit. Causes not insured against as well as causes insured against shall be entered. The cause(s) of damage shall be specifically stated. The estimated percent contribution of each cause of damage shall be entered. The approximate date of damage (not the date of loss) shall also be entered. In all cases, the entries in the column headed "Estimated Percent Contribution" must total 100 percent.

If damage was caused by the act of a person or persons, the cause of damage and percent of contribution shall be entered and a memorandum shall be prepared, in triplicate, setting forth the facts in the case and the name of person(s), if known, contributing to the damage. The adjuster shall sign the memorandum and all three copies shall be attached to form 567 when it is forwarded to the director. The director shall attach a copy of the memorandum to the branch office copy of form 567 and a copy to the county office copy of such form.



The following are among the unavoidable causes insured against:

WEATHER

Drought	Hot winds
Excessive moisture	Hail
Drought followed by excessive moisture	Frost
Excessive moisture followed by drought	Blown out
Flood	Crusted soil
Water erosion	Lightning
Heat	Hurricane

INSECTS

Boll weevil	Aphid
Cotton leaf worm	Pink boll worm
Army worm	Red spider
Cotton flea hopper	Cut worm
	Grasshoppers

DISEASES

Root rot	Root knot
Wilt	Damping off (sore shin)
Blight	Anthracnose
Rust	Acromenia (crazy top)
	Leaf spot

MISCELLANEOUS

Fire  
Wildlife

Item 20. The adjuster shall indicate whether there is an outstanding collateral assignment by entering "Yes" or "No." This entry shall be made from the information shown on Form FCI-20, "Collateral Assignment," on file in the county office.

In the spaces provided, the insured shall sign and date the form 567 after it has been prepared.

Item 21. If, after the insured has affixed his signature in item 20, the adjuster can certify to the statements in item 21, he shall sign and date the form in the spaces provided.



D. Preparation of Form FCI-567-C for Other Cases

1. When Insured has Different Shares in Parts of Cotton Crop

The following instructions concerning the preparation of form 567 shall apply when the insured producer has different shares in parts of the cotton crop.

A separate form 567 shall be prepared for each part of the insurance unit in which the insured producer has a different share in the cotton crop. For example, if the producer has 100 percent interest in 8 acres and a 50 percent interest in 12 acres, one form 567 shall be prepared for the 8 acre tract and another shall be prepared for the 12 acre tract. The word "Supplemental" shall be written immediately above the title on each of these forms. After the "supplemental" forms have been prepared, the entries thereon shall be summarized and entered on a form 567 which shall be identified by writing the word "Master" immediately above the title. Except as provided below, these forms shall be prepared in accordance with subsection C of this section.

a. "Supplemental" Forms 567

Entries on a "supplemental" form 567 shall apply to the specific acreage covered by such form.

If the harvested plus the appraised production for a part of the insurance unit exceeds the coverage for such part, as reflected by the entry in item 7, column 3 of the supplemental form 567 exceeding the entry in item 3, column 3, of such form, the loss claim shall be adjusted in accordance with paragraph 3 of this subsection.

The entry for item 13 shall be determined as follows: The total planted acreage and the total reported acreage for the insurance unit shall be entered in Box D and Box E, respectively, of the "master" form 567. If the entry in Box D of the "master" form 567 exceeds the entry in Box E of such form, divide the entry in Box E by the entry in Box D and enter the result, carried to 3 decimal places, (e.g., .951) on all the "supplemental" forms 567 in the space provided for "adjustment factor." If the planted acreage does not exceed the reported acreage for the insurance unit, no entry need be made in this space. On the "supplemental" forms 567, enter in item 13, column 3, the product of the entry in item 12 times the adjustment factor, if any. If there is no adjustment factor, enter the figure shown in item 12.

No entries shall be made in items 17 to 21, inclusive, of the "supplemental" forms 567.

b. "Master" Forms 567

Box C: Enter the word "varying."



Items 1 to 16, inclusive, except item 2: For each item, add the entries appearing on the respective "supplemental" forms 567, except in cases where paragraph 3 of this subsection is applicable. Enter these totals in the applicable items on the "master" forms 567.

Item 2: Enter the coverage per acre.

Items 17 to 21, inclusive: Enter the data in accordance with subsection C of this section.

2. When Separate Yields Have Been Established for Parts of an Insurance Unit

The following instructions concerning the preparation of form 567 shall apply when separate yields have been established for parts of an insurance unit.

A separate form 567 shall be prepared for each part of the insurance unit for which a separate yield has been established. For example, if a 400-pound yield has been established on a bottom land tract and a 200-pound yield on an upland tract, a form 567 shall be prepared for each such tract. In addition, if the insured has different shares in the cotton crop on parts of any such tract, a separate form 567 shall be prepared for the acreage applicable to each share. The word "Supplemental" shall be written immediately above the title of all such forms.

After the "supplemental" forms have been prepared, the entries thereon shall be summarized and entered on a form 567 which shall be identified by writing the word "Master" immediately above the title. Except as provided below, these forms shall be prepared in accordance with subsection C of this section.

a. Supplemental Forms 567

Entries on a "supplemental" form 567 shall apply to the specific acreage covered by such form.

If the harvested plus the appraised production for a part of the insurance unit exceeds the insured production for such part, as reflected by the entry in item 7, column 3, of the supplemental form 567 exceeding the entry in item 3, column 3, of such form, the loss claim shall be adjusted in accordance with paragraph 3 of this subsection.

The entry for item 13 shall be determined as follows: The total planted acreage and the total reported acreage for the insurance unit shall be entered in Box D and Box E, respectively, of the "master" form 567. If the entry in Box D of the "master" form 567 exceeds the entry in Box E of such form, divide the entry in Box E



by the entry in Box D and enter the result, carried to 3 decimal places (e.g., .951) on all the "supplemental" forms 567 in the space provided for "adjustment factor." If the planted acreage does not exceed the reported acreage for the insurance unit, no entry need be made in this space. On the "supplemental" forms 567 enter in item 13, column 3, the product of the entry in item 12 times the adjustment factor, if any. If there is no adjustment factor, enter the figure shown in item 12.

No entries shall be made in items 17 to 21, inclusive, of the supplemental forms 567.

b. "Master" Forms 567

Box A: Enter the word "varying."

Items 1 to 16, inclusive, except item 2: For each item, add the entries appearing on the respective "supplemental" forms 567, except in cases where paragraph 3 of this subsection is applicable.

Enter these totals in the applicable items on the "master" forms 567.

Item 2: Enter the word "varying".

Items 17 to 21, inclusive: Enter the data in accordance with subsection C of this section.

3. Where There is Excess Production on One or More Parts of an Insurance Unit

Where the harvested plus the appraised production for a part of the insurance unit exceeds the insured production for such part, as reflected by the entry in item 7, column 3, of a "supplemental" form 567 exceeding the entry in item 3, column 3, of such form, all of the "supplemental" forms 567 and the "master" form 567 for the insurance unit shall be prepared as follows:

- a. Items 1 to 15 inclusive, of the "supplemental" forms 567 shall be executed in accordance with paragraph 1 or 2 above, whichever is applicable, except the form being prepared for that part of the insurance unit reflecting the excess production, which shall be executed only through item 7. When an entry appears in item 15 of the "supplemental" forms 567, it shall be encircled.
- b. Items 1 to 7, except item 2, of the "master" form 567: For each item, add the entries appearing on the respective "supplemental" forms 567 and enter the sum thereof in the applicable items on the "master" form 567.
- c. Item 2 of the "master" form 567: When only one yield has been established for the insurance unit, enter the coverage per acre.



When separate yields have been established for parts of the insurance unit, enter the word "varying".

- d. Items 8 to 15, inclusive, of the "master" form 567: The entries for these items shall be computed for the entire insurance unit in accordance with subsection C of this section.
- e. Divide the entry appearing in item 15 of the "master" form 567 by the total of the encircled entries appearing in item 15 of the "supplemental" forms 567. The resulting figure shall be carried to 3 decimal places (e.g., .889) and entered in item 15 of the supplemental forms 567 to the left of column 3.
- f. Multiply the encircled entries in item 15 of the "supplemental" forms 567 by the figure obtained in (e) above. The product thereof is an adjusted loss figure for the part of the insurance unit covered by each "supplemental" form 567, and shall be entered to the right of the encircled figure in item 15 of such forms.
- g. The entry for item 16 on the "supplemental" forms 567 shall be obtained by multiplying the unencircled figure in item 15, column 3, by the entry in Box C. Add these entries appearing in item 16 of the "supplemental" forms 567 and enter the total in item 16 of the "master" form 567.
- h. Items 17 to 21, inclusive, of the "master" form 567 shall be executed in accordance with subsection C of this section. These items need not be executed on the "supplemental" forms 567.

#### 4. Amount of Loss Where Transfer of Interest is Involved

The regulations provide that in the event of a transfer of all or a part of the insured interest in a cotton crop, the Corporation shall not be liable for a greater amount of indemnity than would have been paid if the transfer had not taken place. If, when adjusting a claim for loss, it is found that there has been a transfer of either all or a part of the insured interest in a part of the insured acreage, the claim shall be adjusted as follows:

- a. If there has been only one transfer, the adjustor shall draw a line vertically through the center of columns 1, 2, and 3 of form 567. To the left of the lines so drawn shall be entered the data for the entire insurance unit and to the right of such lines shall be entered the data for the part of the cotton acreage for which the loss is being computed. All computations on form 567 shall be made in the regular manner except those for Item 16. In computing the entry for Item 16, use the smaller of the two entries appearing in item 15.
- b. If there have been two or more transfers, the adjustor shall prepare a form 567 for each individual who has an insured interest at the time of loss. If, on any part of the insurance unit, the harvested plus the appraised production exceeds the coverage for such part, as reflected by the entry in Item 7, Column 3, of the supplemental form 567 exceeding the entry in Item 3, Column 3, of such form, the loss claim shall be adjusted in accordance with



paragraph 3 of this subsection. However, the words "supplemental" and "master" shall not be entered at the top of such forms. The words "Transfer of interest - data for entire insurance unit" shall be entered on the form 567 prepared for the entire insurance unit, and no entries will be made in item 16 to 21. No identifying entry shall be made in the heading of the forms 567 prepared for the parts of the insurance unit.

All of the forms 567 for the parts of the insurance unit as well as for the entire insurance unit should be submitted together to the director. If this is not possible, a form 567 for the entire insurance unit shall be submitted with the first form 567 covering a part of the insurance unit, but need not be submitted with subsequent forms 567 covering the other parts of the insurance unit.

#### 5. Other Unusual Cases

If a case arises which is not specifically covered by this procedure, it should be submitted in accordance with General Procedure 4.

#### E. Cases Where Adjuster and Insured Producer Cannot Agree on Amount of Loss

If the insured producer and the adjuster cannot agree on the amount of loss claimed by the insured, two forms 567 shall be prepared -- one showing the amount of loss claimed by the insured and the other showing the amount determined by the adjuster. The insured producer shall sign the form 567 reflecting the amount of loss claimed by him, but neither form shall be signed by the adjuster at this time. The adjuster shall then suggest to the insured that three appraisers be selected with the view of reaching an agreement concerning the amount of loss. If this is agreeable to the insured, the three appraisers shall be selected and shall function in accordance with the procedure which will be furnished for handling such cases.

If the insured is not agreeable to the selection of the appraisers, the adjuster shall sign only the form 567 reflecting the amount of loss determined by him and shall submit the claim in accordance with General Procedure 4.

#### F. Transmitting Forms FCI-567-C to the Director

The adjuster shall forward daily all completed forms 567 to the director. The director will make distribution of these forms in accordance with section VII of this procedure.



## (State and county code and identification number)

Identification numbers of  
other contracts on farm:

(Farm serial number)

[illegible]

(SEE REVERSE SIDE FOR ADDITIONAL INSTRUCTIONS.)

1. Planted acres (Columns 1 + 2 + 3 must equal Box D)		
2. Coverage per acre at each stage of production		
3. Total coverage at each stage of production (Item 1 times Item 2)	XXXX	XXXX
4. Production: Cotton ginned plus estimated lint weight of seed cotton sold and on hand		
5. Appraised production of lint cotton		
6. Adjustment to production for uninsured losses: (a)		
(b)		
7. Total production from all sources (Item 4 + Item 5 + Item 6)		
8. Unadjusted loss on harvested acreage	XXXX	XXXX
9. Loss adjusted for savings in cost		
10. Total loss of lint cotton on released acreage		
11. Quantity production exceeds coverage on harvested acreage		
12. Unadjusted loss of lint cotton on insurance unit		
13. Loss adjusted to insured acreage		
(Adjustment factor)		
14. Increase for cottonseed, if insured		
15. Loss (lint and seed) on insurance unit (Item 13 + Item 14)		
16. Loss claimed by insured (Entry in Box C times Item 15)		



PART II. CAUSE OF DAMAGE TO CROP

Cause of damage

Estimated percent contribution : Approximate date of damage

17. Primary . . . . . :  
 18. Secondary . . . . . :  
 19. Other contributing . . . . . :

20. The information and data set out in Part I hereof are true and correct and the insured interest in the cotton crop as shown represents such interest at the time of loss, but not in excess of the interest reported by the insured as his interest in the crop at the beginning of planting, and are the basis for the amount of loss claimed in Item 16. The furnishing or preparation of any forms, the inspection of the farm, or investigation of loss by an adjuster was done at the request of the insured and shall not constitute a waiver of any right of the Corporation. In consideration of the payment of this claim, I hereby release the Corporation from all claims for indemnity, damages, or causes of action in connection with my cotton crop on the above-indicated farm which I may have arising under the contract under which indemnity is claimed.

In consideration of the settlement of the indemnity, I hereby sell, assign and transfer to the Federal Crop Insurance Corporation, to the extent of the value of the commodity represented by such settlement, all claims, demands, and causes of action which I may have against any and all persons as a result of the partial or total destruction of the insured crop. I hereby irrevocably constitute and appoint the Federal Crop Insurance Corporation my true and lawful attorney, with full power of substitution and revocation for me and in my name, or otherwise, but for its own sole use, to take all proceedings and execute any and all instruments fully to effectuate this assignment and give acquittance for all such claims, demands, and causes of action.

Is there an outstanding collateral assignment?

(Yes or no)

194

(Date)

(Signature of insured)

Any misrepresentation of fact made in this instrument will subject the maker thereof to the provisions of the United States Criminal Code and the penal provisions of the Federal Crop Insurance Act, as amended.

21. In connection with this Statement in Proof of Loss I certify that:

- (a) I have made a careful investigation of this claim and, to the best of my knowledge and belief, the facts stated herein are complete, true, and correct.
- (b) The amount of loss claimed herein by the insured was determined in accordance with the applicable regulations and procedures of the Federal Crop Insurance Corporation.
- (c) The signature appearing in Item 20, has been affixed by the insured who had the stated interest in the cotton crop at the time of loss and whose name appears above, or if the signature has been affixed by a person who signs as fiduciary or agent such person had authority to act in such capacity.

194

(Date)

(Signature of authorized Corporation representative)

22. I recommend approval of this Statement in Proof of Loss.

194

(Date)

(State director)



SECTION V. SUSPENDED, CORRECTED AND DELAYED FORMS FCI-567-C,  
"STATEMENT IN PROOF OF LOSS FOR COTTON"

A. Suspended Statements in Proof of Loss

Forms 567 suspended by either the director or the branch office will not be returned to the adjuster. A form FCI-2, "Agreement," or a memorandum shall be prepared and forwarded to him in order that the suspended case may be cleared as soon as possible. Forms FCI-2 and memoranda prepared by the branch office in connection with suspended forms 567 shall be routed through the director. After the adjuster has cleared the suspended case, the form FCI-2 or memorandum of explanation shall be returned to the director.

B. Corrected Statements in Proof of Loss

In cases where a form 567 has been transmitted to the state director, and the adjuster finds it necessary to make a material change in the data appearing on such form, a corrected form 567 shall be prepared and submitted to the director. However, any corrected claim, except those based on an error in the computations appearing on the original forms 567 and supporting documents, amounting to less than 25 pounds additional loss shall not be submitted as such claim will not be approved.

The adjuster shall attach a memorandum in triplicate to the corrected form 567 fully explaining the reason(s) for such correction(s). The corrected form 567 shall be plainly marked "Corrected" in the heading.

C. Delayed Statements in Proof of Loss

In the event a statement in proof of loss is submitted later than 60 days after the time of loss, a statement of facts setting forth the reason(s) for delay in submitting such form and the method used for determining the actual and appraised production as shown on the form 567, shall be prepared in triplicate, signed by the adjuster and attached to form 567.

Any damage to the crop which occurs after the end of the insurance period is not insured against and must be handled by the adjuster as an uninsured cause of damage.



SECTION VI. SETTLEMENT OF LOSS CLAIMS

A. Certificate of Indemnity

The insured should be told that all loss claims submitted in accordance with the regulations and applicable procedures will be paid by the issuance of a certificate of indemnity which will be prepared in the branch office of the Corporation and mailed directly to him.

The expiration date of the certificate of indemnity on the 1945 crop shall be August 15, 1946, or 30 days after the date of the issuance of the certificate, whichever is later. However, the expiration date for certificates of indemnity placed under loan with the Commodity Credit Corporation shall be the maturity date for the loan, if such date is later than the foregoing. If the insured has not returned the certificate for cash settlement before the expiration date, the cash equivalent will be established on the price in effect on the expiration date of the certificate and a check will be issued by the branch office to the insured in settlement of his indemnity claim, except where the certificate is placed under loan.

1. Method of Settlement

a. To Obtain Cash

If the insured wishes to obtain cash in settlement of the certificate of indemnity, he shall sign the original and return it to the branch office of the Corporation.

The cash equivalent of the indemnity shall be the number of pounds of lint cotton specified on the certificate of indemnity multiplied by the cash equivalent price per pound in effect on the day the insured's request is received or the expiration date of the certificate, whichever occurs first.

b. To Secure a Loan from the Commodity Credit Corporation

If the insured wishes to obtain a loan, he shall arrange with the county committee for the loan. The county committee shall prepare the loan documents in accordance with instructions issued by the Commodity Credit Corporation, and transmit the certificate of indemnity and loan papers to the Commodity Credit Corporation.

If a lien exists by reason of an unliquidated collateral assignment, a loan cannot be made until a release of such collateral assignment is secured in accordance with subsection D, section VII of the County Application Procedure.



Where a collateral assignment has not been executed, or if executed, has been released, the county committee shall so certify in the box provided therefor.

c. To Obtain the Commodity

If the county committee has been advised that cotton is available, the insured may obtain a warehouse receipt for all or a portion of the number of pounds shown on the certificate of indemnity by indicating the quantity desired and returning the certificate of indemnity to the branch office of the Corporation through the county committee.

Where the quantity of cotton desired by the insured is less than the total amount shown on the certificate of indemnity, the branch office will issue a new certificate of indemnity for the remaining portion of the indemnity due the insured. Since all warehouse receipts covering cotton are issued in bales, no indemnities in cotton shall be paid except in whole bales.

2. Liquidation of Commodity Credit Corporation Loan

If a loan has been obtained on the security of the original certificate of indemnity, and the insured wishes at any time during the period of the loan to establish the cash equivalent in order to liquidate the loan, the insured shall transmit to the appropriate branch office of the Federal Crop Insurance Corporation on Form FCI-574-A (or on a substantially similar form) a written request to establish the cash equivalent for the purpose of liquidating the loan. Form FCI-574-A may be obtained from the county committee.

The cash equivalent of the indemnity will be established on the basis of the price in effect on the date the request to liquidate the loan is received in the branch office. Such cash equivalent will be established and paid only if the amount thereof is sufficient to liquidate the indebtedness existing because of the loan. If the amount of the cash equivalent is not sufficient to liquidate the indebtedness, the insured will be notified by the Corporation.

Where the cash equivalent is established for the purpose of liquidating the loan, the amount necessary to liquidate the loan and accrued charges will be forwarded direct to the Commodity Credit Corporation by the Federal Crop Insurance Corporation. Any balance will be forwarded to the insured. The county committee shall be guided by the current price card and the amount of the loan plus accrued interest thereon in determining whether the cash equivalent of the certificate of indemnity will be sufficient to liquidate the loan.



3. Storage and Handling Charges

A storage and handling charge will be deducted by the branch office from the cash equivalent of any certificate of indemnity which is not received by the branch office for cash settlement within 15 days from the issuance thereof. After allowing the free storage time, a charge of four ten-thousandths of a cent (.0004) per pound per month or fraction thereof will be deducted. The storage and handling charge will terminate at the expiration date of the certificate of indemnity or the date it is received in the branch office for settlement, whichever is earlier.

4. Lost or Destroyed Certificates of Indemnity

If a certificate of indemnity is lost, or destroyed, and the insured desires a cash settlement will be made by the branch office upon receipt of a written request from the insured stating that it has been lost or destroyed and that he desires a cash settlement, together with a certification by the county committee that the certificate of indemnity originally issued has not been and will not be approved by it as collateral for a loan.

If a certificate of indemnity is lost, or destroyed, and the insured desires to obtain a loan, a duplicate original certificate of indemnity will be issued by the branch office upon receipt of a request from the insured stating that it has been lost or destroyed and requesting that a duplicate original be issued in order to obtain a loan. A certification that the certificate of indemnity originally issued has not and will not be approved as collateral for a loan shall be submitted by the county committee.



SECTION VII. DISTRIBUTION OF FORMS USED IN THE PROCEDURE

The following distribution shall be made of the forms used in this procedure:

A. Form FCI-8 - "Notice to Corporation of Damage or Probable Loss".

The original shall be forwarded to the director.

The first copy shall be forwarded to the other Corporation representative designated by the director.

The second copy shall be retained in the county office and filed in a temporary file until the county office copy of Form FCI-63-C is received from the adjuster, after which it shall be filed in the producer's folder.

B. Form FCI-63-C - "Inspection Report".

Original - Forwarded to the director.

First copy - Filed in the county AAA office in the producer's crop insurance folder.

Second copy - Given to the insured at the completion of the inspection.

C. Form FCI-567-C - "Statement in Proof of Loss for Cotton".

The original, the state office copy, and the county office copy shall be forwarded to the director with carbons in place, except the carbon between the county office copy and the insured's copy which shall be detached.

The insured's copy shall be given to him by the adjuster when prepared.

The county office copy shall be returned to the county office by the director after a preliminary review thereof. This copy shall then be filed in the producer's crop insurance folder.

D. Form FCI-15, "Transmittal Sheet".

Form FCI-15 will be prepared by the director. The county office copy will be forwarded to the county office together with the related county office copy of forms 567.

E. Form FCI-574, "Certificate of Indemnity".

Original - Mailed directly to the insured by the branch office.

Copy (pink) - Forwarded to the county AAA office by the branch office for use of insured at time of liquidation of Commodity Credit Corporation loan on certificate of indemnity.

Copy (salmon) - Forwarded to county AAA office by the branch office. To be filed in producer's folder.

Copy - Retained in the branch office.



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